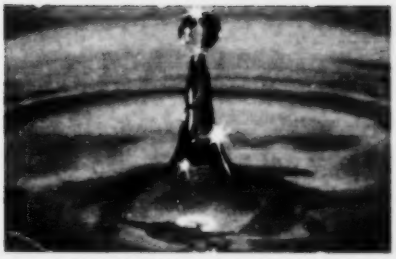

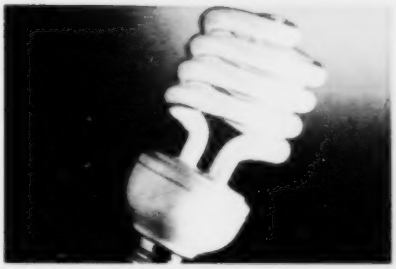

ANNUAL REPORT 2006/07

Green Manitoba

An Agency of the Manitoba Government

Table of Contents

Minister's Letter of Transmittal..... 1
Deputy Minister's Letter of Transmittal..... 3
Chief Executive's Message..... 4
Executive Summary..... 5
Agency Profile..... 6
Year 2006/07 Highlights..... 7
Looking Ahead to 2007/08..... 8
Financial Statements.....10
Acknowledgements.....11

Green Manitoba
An Agency of the Manitoba Government

2008-C1596/

Minister's letter of transmittal

The Honourable John Harvard
Lieutenant Governor of Manitoba
Room 235 Legislative Building
Winnipeg MB R3C 0V8

Your Honour:

I have the privilege of presenting the Annual Report of Green Manitoba Eco Solutions for the year ending March 31, 2007.

In January, 2006, the Manitoba Government released the *Green and Growing* document that outlined the government's strategic direction on important environmental initiatives.

A key component of that strategy has been the creation and development of a new agency that will implement specific new initiatives related to the Green and Growing vision.

This is the first Annual Report from that agency.

Respectfully submitted,

Jim Rondeau
Minister of Science, Technology,
Energy & Mines

Deputy Minister's letter of transmittal

Honourable Jim Rondeau
Minister Responsible for Green Manitoba
Eco Solutions
Room 333 Legislative Building
Winnipeg MB R3C 0V8

Dear Minister Rondeau:

I am pleased to submit for your consideration the Annual Report of Green Manitoba Eco Solutions for the year ended March 31, 2007.

Science, Technology, Energy and Mines has been designated the lead Department in implementing the Green and Growing Strategy of the Government.

One of the first tasks completed has been the creation of a new agency - Green Manitoba. Green Manitoba became a Special Operating Agency as of April 1, 2006.

This report outlines the activities and achievements of the agency during its first year of operation.

Respectfully submitted,

John Clarkson
Deputy Minister of Science,
Technology, Energy and Mines

Chief Executive's message

On behalf of staff, I am very pleased to report on the achievements of Green Manitoba Eco Solutions for the year ended March 31, 2007.

This has been a very formative year for the agency. The mandate of the agency has been clarified and now complements the mandate and responsibilities of the other related government programs. We have appreciated the support that we have received from the Pollution Prevention Branch, the Energy Development Initiative Branch, the Water Stewardship Department and the Climate Change and Green Initiatives Branch.

During the next year, the agency will establish an Advisory Board. We look forward to the Board's advice regarding Green Manitoba's strategic direction, business practices and financial reporting requirements.

Respectfully submitted,

Jim Bakken
Chief Operating Officer

Executive summary

Green Manitoba was established to help build a sustainable and prosperous future for all Manitobans. By emphasizing practical approaches to waste reduction, water conservation and energy efficiency in communities, homes and businesses, Green Manitoba works to achieve a winning merger of environmental protection and economic growth throughout the Province.

Green Manitoba's activities are guided by core concepts regarding opportunity, collaboration and value:

> *Thinking broadly about social, economic and environmental issues and their interrelationships underpins the notion of sustainability and expands awareness of new opportunities and choices.*

> *Successfully engaging diverse stakeholders in both traditional and innovative ways is vital for securing the partnerships and collaborative effort essential for achieving meaningful progress.*

> *Delivering genuine value from the stakeholders' perspective is key to advancing Manitoba's sustainability objectives and reinforces the importance of actions that are practical, measurable and effective.*

By putting these concepts into practice, Green Manitoba made significant headway in 2006/07 – the Agency's first year of operations. Of particular note:

- Government's extended producer responsibility (EPR) initiative aimed at waste diversion and reduction was significantly advanced through development of four new regulations and extensive collaboration with affected industry groups.
- An integrated, community-focused approach to minimizing waste, conserving water, and using energy more efficiently was developed.
- A province-wide, formal consultation process on the Green Building Policy for Government of Manitoba Funded projects was undertaken.
- In partnership with several organizations, a variety of green resource materials and programs were implemented for Manitoba K-12 educators and students.

Green Manitoba's 2006 / 2007 year-end financial position reflects the Agency's formative, initial year of operations. Revenue growth is forecast to place the Agency on a positive financial footing within two additional years as government "green" policy frameworks evolve and our business model matures. Green Manitoba will use this time to achieve key objectives, deliver benefit to clients, and demonstrate value to stakeholders.

Agency profile

History

Green Manitoba was created as a Special Operating Agency effective April 1, 2006, by merging existing elements of the Departments of Science, Technology, Energy & Mines and Conservation. Treasury Board allocated additional resources to Green Manitoba in FY 2006/07 to support the government's *Green Building* policy initiative. Since inception, Green Manitoba has served as an enabler and delivery agent for programs that enhance sustainability and resource management practices throughout the province.

Mission

The mission of Green Manitoba is to promote sustainable communities and enhance economic prosperity in Manitoba through joint environmental action on waste minimization, water conservation and energy efficiency.

Through demonstrated leadership and effective collaboration, Green Manitoba guides and supports environmentally-sound community practices intended to:

- Reduce solid waste generation and encourage materials efficiency
- Preserve adequate, reliable and sustainable supplies of freshwater
- Decease energy consumption and mitigate climate change impacts

Green Manitoba is a key delivery agent for government's *Green and Growing* strategy. By bringing together partners from different levels of government, business and other stakeholder organizations, Green Manitoba facilitates and drives implementation of a variety of sustainable solutions.

Our vision is "*a cleaner and greener Manitoba*" where natural resources are used wisely, waste is eliminated, adverse climate change impacts are minimized, and sustainable development is increasingly understood as the key to unlocking future economic prosperity and a high quality of life.

We work closely with communities, governments, businesses, and other stakeholder organizations to facilitate or complement activities and programs designed to achieve environmental protection and community development goals.

Principal Program Areas

Green Manitoba pursues activities and goals in three principal areas:

- Waste minimization
- Water conservation
- Energy efficiency

Green Manitoba believes that a marked change in public attitudes, perceptions and priorities on environmental issues affords an opportunity not to be missed. We will continue to join up public sector thinking on sustainable waste, water, and energy practices that, through collaboration with partners, can be implemented to good effect.

Key achievements for 2006/07

Green Manitoba is uniquely positioned to act as a catalyst for change toward enhanced sustainability in Manitoba. Through emphasis on the concepts of eco-efficiency, innovation, and partnered approaches, Green Manitoba leads the implementation of community-based practices that conserve water, reduce demand for energy, and effectively manage and minimize waste. Green Manitoba adopts an entrepreneurial approach to accomplishing its mandate and partners with public agencies, community organizations, businesses and residents to leverage collective knowledge and effort and ensure shared success.

2006/07 was a formative year for Green Manitoba. Advancing the Agency's sustainability mandate in tandem with establishing the Agency's business management environment presented a considerable challenge in our start-up year. Green Manitoba met this challenge with a number of achievements.

Year 2006/07 Highlights

- As part of Manitoba's extended producer responsibility (EPR) initiative, Green Manitoba, in concert with Conservation Manitoba, developed new regulations for four priority waste streams: tires, printed paper and packaging, household hazardous waste, and electronic waste.

- Subsequent to formal enactment of a new Tire Stewardship Regulation, Green Manitoba guided the development of a tire stewardship program submitted for government review and approval by industry stewards.

- Green Manitoba organized a multi-stakeholder, multi-jurisdictional workshop to share perspectives and assess the best way to measure and evaluate EPR program performance.

- Public education campaigns were successfully implemented throughout Winnipeg in partnership with *Take Pride Winnipeg!* using street-level recycling stations to increase knowledge and action on waste minimization.

- In partnership with several organizations, a variety of green resource materials and programs were implemented for Manitoba K-12 educators and students promoting hands-on learning and action to reduce waste, conserve water and use less energy.

- Green Manitoba ensured the sustainability of environmental stewardship programming for Manitoba post-secondary institutions and independent K-12 schools by securing and coordinating the provision of funding grants.

- Green Manitoba negotiated an agreement with a Manitoba-based software supplier that will result in enhanced data capture and data management capabilities that facilitate improved waste management reporting in Manitoba.

- A partnership agreement was struck between Green Manitoba and the Town of Minnedosa to assess water conservation opportunities, implement practices to improve conservation, and evaluate results achieved. Discussions were held with other local governments, and an agreement was reached with the Town of Pinawa that will build on the Minnedosa model.

- Green Manitoba, in partnership with EDI and Manitoba Hydro, coordinated and delivered a province-wide formal consultation process on the Green Building Policy for Government of Manitoba Funded projects. A formal consultation report was submitted to government, and the Policy document itself was refined to incorporate substantive changes stemming from the consultations.

- A website has been designed and developed to support the implementation of the Green Building Policy and to provide ease of access to green building-related information resources to project proponents, including a primary Green Building Policy Implementation Guide to support the interpretation and application of the Green Building Policy, and links to resources offering support in fulfillment of Policy requirements.

- A *"Living Green"* water / energy / waste integrated approach for promoting sustainable practices in communities was developed.

- The basic design and features of a map-enabled Web 2.0 interface capable of assisting a broad range of users / stakeholders plan, implement, monitor and report on water, energy and waste management initiatives was developed. Phase 1 established the feasibility of an Integrated Web Services Model and the sequence of how specific applications such as calendars, maps, data tools, eforms (surveys),

image galleries etc. could be made available from a Green Manitoba web service to a community web site such as Minnedosa.

- Throughout the year, Green Manitoba delivered several presentations to stakeholder gatherings, including the Association of Manitoba Municipalities and the Manitoba Environmental Industries Association.

Looking ahead to 2007/08 ... and beyond

As a delivery agent for government dedicated to enhancing sustainability and resource management practices throughout the province, Green Manitoba recognizes that significant future opportunities exist for moving the "green" agenda forward. Some initiatives that Green Manitoba proposes to champion, or substantially contribute to, over the longer term include:

- Developing an up-to-date, comprehensive strategy and action blueprint for waste minimization and management in Manitoba
- Designing and implementing residential organics composting programs
- Increasing recycling and materials processing capacity in Manitoba
- Establishing a commercial food-composting program
- Developing a Build It Green! public information and promotion campaign
- Leveraging the notion of watershed management to prioritize and drive community-based responses to inefficient uses of freshwater and to monitor and measure progress in a scientific manner
- Developing green space stewardship programs that encourage recognition of the value of urban green and natural spaces
- Working strategically with housing authorities and other partners on campaigns to improve residential energy efficiency for targeted communities where the potential for payback is greatest
- Development of *GreenplanIT*, an integrated web-based community planning tool set that surveys and reports energy, water and waste measurements against best practices
- Implementation of *emerge RE-TRAC solid waste management and tracking system*

GREEN MANITOBA ECO SOLUTIONS
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

The accompanying financial statements of Green Manitoba Eco Solutions are the responsibility of management and prepared in accordance with Canadian generally accepted accounting principles. In management's opinion the financial statements have been properly prepared within reasonable limits of materiality incorporating management's best judgment regarding all necessary estimates and other data.

Management maintains a system of internal controls throughout its operations that provides reasonable assurance that transactions are authorized, properly reported, and that assets are safeguarded.

The responsibility of the external audit is to express an independent, professional opinion lending assurance and objectivity as to whether the financial statements of Green Manitoba Eco Solutions are fairly presented in accordance with Canadian generally accepted accounting principles. The auditor's report outlines the scope of the audit examination and provides the audit opinion.

Jim Bakken
Chief Operating Officer

Doug Smith,
Director

E X G

THE EXCHANGE

chartered accountants LLP

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Green Manitoba Eco Solutions as at March 31, 2007 and the statements of loss and deficit and cash flows for the year then ended. These financial statements are the responsibility of the agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the agency as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The Exchange

chartered accountants LLP

Winnipeg, Manitoba
June 1, 2007

100-123 Bannatyne Ave., Winnipeg, MB R3B 0R3
Telephone: (204) 943-4584 Fax: (204) 957-5195
Toll Free: 1-866-EXG-0303
E-mail: mfox@exg.ca Website: www.exg.ca

GREEN MANITOBA ECO SOLUTIONS

Balance Sheet

March 31, 2007

ASSETS	
CURRENT	
Accounts receivable *(Note 3)*	**$ 17,040**
Prepaid expenses	**684**
	17,724
CAPITAL ASSETS *(Note 2, 4)*	**7,277**
	$ 25,001
LIABILITIES	
CURRENT	
Working capital payable *(Note 5)*	**$ 55,146**
Accounts payable and accrued liabilities	**16,953**
Deferred revenue *(Note 2)*	**98,750**
	170,849
SEVERANCE LIABILITY *(Note 6)*	**623**
	171,472
EQUITY	
Contributed surplus *(Note 7)*	**8,997**
Deficit	**(155,468)**
	(146,471)
	$ 25,001
COMMITMENTS *(Note 8)*	

GREEN MANITOBA ECO SOLUTIONS

Statement of Cash Flows

Year Ended March 31, 2007

OPERATING ACTIVITIES	
Cash receipts from government and agencies	$ 1,649,371
Cash paid to suppliers and employees	(1,704,517)
Cash flow used by operating activities	(55,146)
INVESTING ACTIVITY	
Purchase of equipment	(8,997)
Cash flow used by investing activity	(8,997)
FINANCING ACTIVITY	
Contributed surplus	8,997
Cash flow from financing activity	8,997
DECREASE IN CASH FLOW	(55,146)
CASH - BEGINNING OF YEAR	-
WORKING CAPITAL PAYABLE - END OF YEAR	$ (55,146)

GREEN MANITOBA ECO SOLUTIONS

Statement of Loss and Deficit

Year Ended March 31, 2007

REVENUE	
Science, Technology, Energy and Mines service agreements (STEM)	**$ 485,400**
Program management earnings	**16,841**
PROGRAMS AND GRANTS	
Manitoba Research and Innovation Fund (MRIF)	**30,000**
Household Hazardous Waste Management Program	**674,800**
School Waste Program	**25,000**
Waste Reduction Program	**25,000**
Green Building Program	**121,890**
Independent School Environmental Funding Program	**42,350**
Council on Post-Secondary Education	**146,380**
	1,567,661
EXPENSES	
PROGRAMS	
Integrated Information Management Model (MRIF)	**28,100**
Household Hazardous Waste Management Program	**655,200**
School Waste Program	**18,900**
Waste Reduction Program	**21,700**
Independent School Environmental Funding Program	**38,300**
Council on Post-Secondary Education Program	**146,380**
	908,580
SALARIES AND BENEFITS	**514,816**
OPERATING EXPENSES *(Schedule 1)*	**299,733**
TOTAL EXPENSES	**1,723,129**
NET LOSS	**(155,468)**
RETAINED EARNINGS - BEGINNING OF YEAR	**-**
DEFICIT - END OF YEAR	**$ (155,468)**

3. ACCOUNTS RECEIVABLE

The accounts receivable balance is comprised of the following amounts:

School waste program	**$ 4,850**
Green building program	**12,190**
	$ 17,040

4. CAPITAL ASSETS

	Cost	Accumulated amortization	**Net book value**
Equipment	$ 79	$ 8	**$ 71**
Furniture and fixtures	8,918	1,712	**7,206**
	$ 8,997	$ 1,720	**$ 7,277**

5. WORKING CAPITAL PAYABLE

The Agency has an authorized working capital from the Province of Manitoba of $500,000 of which $55,146 was used at March 31, 2007.

6. SEVERANCE LIABILITY

Effective April 1, 2006, the Agency commenced recording accumulated severance pay benefits for its employees.

The amount of severance pay obligations is normally based on actuarial calculations. Green Manitoba has not had an actuary report completed as they are a new special operating agency, therefore an extrapolation of other SOA's was used for Green Manitoba. The periodic valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

The estimated severance pay liability as of March 31, 2007 is $623.

7. CONTRIBUTED SURPLUS

Green Manitoba and the Department of Energy, Science and Technology entered into a Transfer Agreement to transfer existing assets used in the Green Manitoba Eco Solutions program of the Department of Energy, Science and Technology. They consist primarily of equipment, furniture and other items having an estimated value of $8,997. The Agency has capitalized these assets with a corresponding increase in contributed surplus.

GREEN MANITOBA ECO SOLUTIONS

Notes to Financial Statements

Year Ended March 31, 2007

1. NATURE OF ORGANIZATION

Effective April 1, 2006, Green Manitoba Eco Solutions ("Green Manitoba") was designated as a Special Operating Agency pursuant to the Special Operating Agencies Financing Authority act (C.C.S.M. c.S185). Green Manitoba operates under a charter approved by the Lieutenant Governor in Council.

Green Manitoba is committed to connecting environmental quality and economic vitality through efficient resource utilization. Green Manitoba promotes the implementation of community practices that conserve water, reduce demand for energy, and effectively manage and minimize waste.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from the Agency operations. It finances the Agency through repayable loans and working capital advances. The financial framework enables the Agency to operate in a business-like manner according to public policy expectations. A management agreement between the Financing authority and the Minister of Science, Technology, Energy and Mines assigns responsibility to Green Manitoba to manage and account for the Agency-related assets and operations on behalf of the Financing Authority.

Green Manitoba is part of the Department of Science, Technology, Energy and Mines and operates under policy direction of the Deputy Minister. The Agency remains bound by relevant legislation and regulations, as well as by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

The Agency is economically dependent on the Province of Manitoba, as it derives a significant portion of its revenue from the province. The transactions with the province of Manitoba are recorded at the exchange amount, which is the amount agreed upon by both parties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Capital Assets

Capital assets transferred to the Agency on April 1, 2006 assumed a cost equal to their net book value at March 31, 2006.

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized straight-line over a period of 5 years. The Agency regularly reviews its fixed assets to eliminate obsolete items. Government grants are treated as a reduction of fixed asset cost.

Deferred revenue

Deferred revenue represents cash received for projects that were started but not completed by year end.

Revenue recognition

Grants are recognized as income in the year in which they are received. Special program funding is taken into income to match the program expenditures. Any remaining program funding is deferred.

8. COMMITMENTS

During the year, the Agency entered into a three year lease with Toshiba of Canada for printing and copying equipment. The lease is being paid monthly until June 30, 2009. The Agency entered into a second lease with Toshiba of Canada for a fax machine. This lease is being paid monthly until January 31, 2009.

Lease payment schedule:

2008	$ 2,832
2009	2,832
2010	1,121
	$ 6,785

9. PENSION BENEFIT

In accordance with the provisions of The Civil Service Superannuation Act, employees of the Agency are eligible for pension benefits under the Civil Service Superannuation Fund. The pension plan is a defined benefit plan, which requires the Agency to contribute an amount equal to the employee's contribution to the fund for current services. The amount contributed and expensed by the Agency in the current year is calculated at $ 7,956.

The Agency has no further liability associated with the annual cost of pension benefits earned by the Agency's employees.

10. FINANCIAL INSTRUMENTS

The Agency's financial instruments consist of accounts receivable, accounts payable, working capital payable, severance liability and accrued liabilities. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

11. PUBLIC SECTOR DISCLOSURE

It is the requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation exceeding $50,000 annually to any officer or employee of the Province of Manitoba. Green Manitoba was not the employer of record at March 31, 2007 for any employees receiving compensation in excess of $50,000. Where compensation in excess of $50,000 was paid, employee names and the amounts paid have been disclosed in the records of affected departments.

GREEN MANITOBA ECO SOLUTIONS

Operating Expenses

(Schedule 1)

Year Ended March 31, 2007

Amortization	$ 1,720
Audit fees	5,215
Consulting services	85,650
Equipment rentals	2,658
IT maintenance and support	25,168
Legal fees	2,383
Miscellaneous	37,650
Occupancy	117,138
Office	3,984
Telecommunications	8,242
Travel	7,042
Vehicle	2,883
	$ 299,733

Staff as of March 31, 2007

Jim Bakken

Doug Smith

Brett Eckstein

John Jonasson

Jim Ferguson

Shane McKenzie

Randall Shymko

Marie Storey

Rick Slasor (Secondment)

Annette Vogt

Jo Ann Van Santen

Associate Staff

Darci Clark

Acknowledgements

Green Manitoba gratefully acknowledges the support and cooperation received in 2006/07 from individuals, entities and partners with shared interests.

Association of Manitoba Municipalities

Tire Stewardship Manitoba

Manitoba Hydro

Town of Minnedosa

Resource Conservation Manitoba

Take Pride Winnipeg!

Manitoba Association for Resource Recovery Corp.

Manitoba schools and educators

The Thomas Sill Foundation Inc.

City of Winnipeg – Water and Waste Department

Household Hazardous Waste Industry Working Group

Packaging and Printed Paper Industry Working Group

Electronic Product Stewardship Canada

Miller Environmental Corporation

Environment Canada

Conservation Manitoba

Water Stewardship Manitoba

Manitoba Department of Science, Technology, Energy and Mines